

May 24, 1994

Mr. Stanley C. Horton
President and Chief Operating Officer
Enron Corporation
Box 1188
Houston, TX 77251

Dear Mr. Horton:

Two officials of Enron/Northern Natural Gas Company have recently expressed concerns related to the Office of Pipeline Safety's (OPS) inspection procedures and authority. More specifically, these officials have questioned (1) whether OPS has authority for its inspectors to interview Northern employees and accompany them while they perform their duties, (2) whether OPS can request Northern to notify OPS when particular operations are scheduled to be conducted, and (3) whether the Minnesota Office of Pipeline Safety has authority to request information from Northern as an interstate agent for OPS. Copies of the incoming Northern correspondence and the response of the Research and Special Programs Administration Chief Counsel are enclosed for your information.

While I understand the practical realities of pipeline operation, and the need for operators to control their facilities, I am concerned that by raising issues of how OPS conducts its inspections industry may appear to be attempting to limit OPS involvement in industry activities. In this light, the traditional view of industry and OPS as adversaries is perpetuated.

Over the last several years, I have made a concerted effort to enhance OPS' partnership with industry, working cooperatively with key trade associations as well as individual pipeline operators. At various meetings of the American Gas Association, Interstate Natural Gas Association of America, and American Public Gas Association, I have talked with industry officials and they seem to concur with me that both industry and government need to improve their credibility with the public. Further, industry officials tend to agree that it is time for industry to shift its focus from merely complying with minimum federal pipeline safety standards to taking a more proactive and positive approach toward risk management.

In line with this thinking, individual pipeline operators need to be more open and cooperate fully with OPS and its agents during inspections. We, at the same time, will strive to minimize the disruption these inspections cause. Improving

industry-government interaction is key to assuring the public that industry and government are effectively managing the risk posed by pipelines.

Sincerely,

George W. Tenley, Jr.
Associate Administrator for
Pipeline Safety

Enclosures